

MARICOPA COUNTY SELF-INSURED BENEFITS TRUST

BOARD OF TRUSTEES MEETING

301 W. Jefferson Street
North Conference Room, 3rd Floor
Maricopa County Administration Building
Thursday, June 27, 2013
Meeting Time: 11:00 a.m.

MINUTES

TRUSTEES PRESENT: Susan Strickler, Beverly Dupree,
Dan Robledo (Telephonically),

TRUSTEES ABSENT: Jim Steinkamp, Brad Arnett

STAFF PRESENT: Meg Blankenship, Christopher Bradley, Dave Hansen,
Tawn Austin, Brandon Newton, Curtia Hunter-Richard

GUESTS: Steve Dahle

Curtia Hunter-Richard distributed a presentation folder to each Trustee and Staff present. The folder included the meeting agenda, March 4, 2013 and May 21, 2013 meeting minutes, financial statements, Benefits Trust Fund Contracts and Timelines document, and the Benefits Trust Comparison and Recommendations document.

The Open Session meeting was called to order by Chairperson Strickler at 11:10 A.M. A quorum was present.

Approval of Last Month's Meeting Minutes

Approval of the March 4 and May 21, 2013 meeting minutes was deferred to the August 27, 2013 meeting.

Presentation and Discussion - Benefits Contract Renewal Timeline

Steve Dahle presented an update on completed and upcoming benefit vendor procurements along with an outline of contract renewal timelines. In addition to the more common RFP process, the County procurement office also utilizes an Invitation to Negotiate (ITN) process which provides a higher level of flexibility than the standard RFP process. An ITN was issued for the medical benefits vendor.

The question by Chairperson Strickler in reference to the decision to go with a single award versus multiple awards on a contract was addressed and clarified. The County reserves the right to award either single or multiple vendor contracts with every solicitation made. The final decision is based on what is most advantageous for the County.

The question by Chairperson Strickler in reference to the Cigna contract was addressed and clarified. The general medical benefits contract with Cigna ends June 30, 2014 and there are no other renewals available. The Cigna contract had been renewed the last two years due to the Patient Protection and Affordable Care Act (PPACA) and its unknown impact on the healthcare industry.

The question by Chairperson Strickler in reference to the vendors' opportunity to submit re-pricing based on the County's decision to award multiple contracts was addressed and clarified. The vendors' pricing is set based on the initial ITN. It is declared up front that the option is open and available to the County to give multiple awards. Vendors have that knowledge prior to submitting any proposal, so there is not an opportunity for them to modify their pricing after a decision to give multiple awards is made.

The question by Trustee Dupree in reference to the involvement of Meg and Chris in the negotiation process for all benefit contracts was addressed and clarified. It was confirmed that the procurement department works in conjunction with the benefits staff on all benefits contracts. The RFP/ITN process allows the Board of Trustees to provide input on a contract award/renewal by means of helping develop a scope of service.

A request was made by Trustee Dupree that more information about voluntary benefits be presented at a future meeting.

The question from Trustee Dupree in reference to the claims audit contract in relationship to the recovery of subrogation cases was addressed and clarified. The claims audit contract is not the same as the subrogation recovery contract and process.

Presentation and Discussion – Roles and Responsibilities of the Board of Trustees

Chris Bradley presented the updated document reflecting staff's recommendations to clarify the roles and responsibilities of the Board of Trustees. Support from the Board of

Trustees was requested. A final decision to move forward with the recommendations was deferred to the next meeting, allowing all Trustees the opportunity to review the recommendations before they are forwarded to the Board of Supervisors for their approval.

Presentation and Discussion - Review of Financial Statements

Dave Hansen presented a review of the current assets and liabilities related to the Employee Benefits Trust Fund as reflected in the following financial reports:

- Statement of Revenues, Expenses, and Changes in Net Assets – YTD as of May 31, 2013
- Statement of Net Assets – May 31, 2013, May 31, 2012, June 30, 2012, June 30, 2011, and June 30, 2010
- Fund Balance Roll-Forward – Eleven Months Ended May 31, 2013
- Balance Sheet Details – May 31, 2013, May 31, 2012, June 30, 2012, June 30, 2011 and June 30, 2010
- Revenue & Expenses – Eleven Months Ended May 31, 2013
- Notes to Financial Statements – May 2013
- Financial Commentary – May 2013

The question by Trustee Dupree in reference to the Behavioral Health Fund Balance net deficit of \$40,717 was addressed and clarified. It was confirmed that at the start of the Plan Year, the Behavioral Health Fund had a \$200,000 deficit caused by high non-routine claims. The deficit has been shrinking each month to its current level of \$40,717.

Presentation and Discussion – Plan Documents

Meg Blankenship presented the updated Plan documents revised to reflect changes resulting from the Patient Protection and Affordable Care Act and other legislation. The updated documents have also been reviewed by Mercer, the County's benefits consultant. The next step is to obtain final approval of the revised Plan Documents from the Board of Supervisors.

The question by Chairperson Strickler in reference to any requirement for public announcement to plan participants regarding the revised Plan Documents was addressed and clarified. No public announcement is planned, but the documents are available to anyone wishing to review them. The Plan Documents address issues such as eligibility for benefits coverage, collection of premiums, coverage start/end dates, etc.

Call to Public

Chairperson Strickler made a Call to the Public. No one from the public was present.

Next Meeting

Meg Blankenship asked the Board of Trustees to consider timing for the next meeting. It was agreed by all present that the next scheduled meeting will be August 27, 2013 from 11am to 12 noon.

Motion to Adjourn

Chairperson Strickler called for a motion to adjourn. The motion to adjourn was made by Trustee Dupree and seconded by Trustee Robledo. The motion passed unanimously. The meeting was adjourned at 11:57 A.M.